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President's summary

Industrial policies and productive capacity policies for a digital economy

(Agenda item 2 (b))

1. The Deputy Secretary-General of UNCTAD made the opening remarks for the second panel discussion. The panel, with the Ambassador and Permanent Representative of Pakistan as moderator, was composed of representatives of the West African Economic and Monetary Union, GE Digital Foundry Europe and the University of Geneva.

2. During the discussion, the Deputy Secretary-General and panellists underscored the rapid changes in digital technologies, the impacts they were likely to have on the economy and society, including production and consumption patterns, as well as international trade in goods and services, and the policy responses needed to manage them. The panellists and participants also addressed the array of challenges and urgency faced by developing country policymakers to maximize the benefits of new digital technologies and electronic commerce (e-commerce).

3. One delegate suggested that countries might wish to draw inspiration from his country's new national e-commerce strategy, and thanked UNCTAD for the support in preparing it.

4. The representative of one regional group and some delegates highlighted the need to improve infrastructure, especially as half of the world's population remained offline.

5. The panellists and some participants discussed the winner-takes-all phenomenon in the digital economy, in terms of the limited ability of developing countries to compete with more developed countries, but also with regard to large global digital platforms.

6. One panellist noted that developing countries had benefited from some of the free services (such as translation) offered by those large digital platforms, while one delegate raised concerns about their market dominance and the value they obtained from developing countries in the form of users' data. The panellist and another participant discussed possible policy responses to the issue, such as local taxation, while another panellist and participant focused on whether to support alternative domestic or regional online platforms.

7. Some panellists, delegates and regional groups discussed the role of data in the digital economy and issues such as data protection. One delegate called for a framework to deal with the issues raised. In response to a question from another delegate on the free flow of data, one panellist pointed out that an important distinction should be made between the question of the desirable level of ease of cross-border data flows and the question of the price at which data should be exchanged and how the value generated in data transactions should be shared. The expression "free data flows" was misleading in that sense.

8. Some delegations underscored the importance of UNCTAD as a space to discuss those issues, including at a forthcoming e-commerce week in Africa that UNCTAD was organizing.

9. Some regional groups and delegates expressed appreciation for UNCTAD work on the digital economy, including the analysis provided to member States and technical cooperation programmes such as the rapid assessments on electronic trade readiness.

10. One regional group called on UNCTAD to upscale its policy review mandate, including on e-commerce and the digital economy, and requested UNCTAD to strengthen its work on enhancing development gains from those areas.